

PART 6. CHARITY GAME TICKET

R 432.21601 Licensing requirements.

Rule 601. (1) A qualified organization applying for an annual charity game ticket or special charity game ticket license shall meet the requirements of R 432.21204.

(2) If a qualified organization wishes to sell charity game tickets in conjunction with a licensed large bingo, small bingo, special bingo, millionaire party, or large raffle to be conducted by the same qualified organization, an additional license is not required.

R 432.21602 Principal officer responsibilities.

Rule 602. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, charity game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring that financial statements from the licensed gaming event are submitted to the bureau as prescribed by R 432.21624.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers are qualified to work the licensed gaming event.

R 432.21603 Annual charity game ticket and special charity game ticket chairperson; qualifications and duties.

Rule 603. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson is a worker who shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

(4) The chairperson shall be familiar with the act, these rules, terms of probation, and directives of the bureau.

(5) The chairperson of an annual charity game ticket license shall make themselves available upon request to an authorized representative of the bureau during reasonable business hours.

(6) The chairperson of a special charity game ticket license shall be present on the premises continuously during the occasion.

(7) The chairperson of a special charity game ticket license shall be readily identifiable to all charity game ticket purchasers by wearing a name badge with the word "Chairperson" followed by the name of the licensee and the chairperson's name.

(8) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(9) The chairperson shall attempt to resolve, in accordance with the act, these rules, directives of the bureau, and house rules, any disputes that may occur during the conduct of the licensed gaming event.

(10) Any change in the chairperson or persons who are listed on the annual charity game ticket or special charity game ticket license

application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

R 432.21604 License closing.

Rule 604. Upon permanent cancellation, revocation, or nonrenewal of the organization's annual charity game ticket license, the licensee shall follow the instructions of the bureau.

R 432.21605 Charity game ticket identification and possession.

Rule 605. (1) The licensee shall only sell charity game tickets bearing the Michigan lottery logo.

(2) Charity game tickets may only be sold at a licensed large bingo, small bingo, special bingo, millionaire party, large raffle, annual charity game ticket, or special charity game ticket occasion.

(3) A qualified organization shall not have in its possession at any time break open tickets other than those bearing the Michigan lottery logo.

R 432.21606 Purchase of charity game tickets.

Rule 606. (1) Charity game tickets shall only be purchased by qualified organizations that have a valid large bingo, small bingo, special bingo, millionaire party, large raffle, annual charity game ticket, or special charity game ticket license issued by the bureau.

(2) A qualified organization shall use a check from a financial account of the licensee for the purchase of charity game tickets.

(3) A licensee shall not purchase and a supplier shall not sell a box of charity game tickets if the manufacturer's shrink-wrap is removed or the manufacturer's seal is broken.

R 432.21607 Annual charity game ticket and special charity game ticket conduct.

Rule 607. (1) An annual charity game ticket and special charity game ticket occasion shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The annual charity game ticket or special charity game ticket license shall be on site and posted in a conspicuous place during the annual charity game ticket or special charity game ticket occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

R 432.21608 Charity game ticket operation.

Rule 608. Annual and special charity games shall be operated in accordance with directives of the bureau.

R 432.21609 Charity game ticket sale; location and time.

Rule 609. Charity game tickets may be offered for sale only during the time and at the location stated on the license.

R 432.21610 Minimum age.

Rule 610. (1) Persons under 18 years of age shall not be permitted to sell charity game tickets.

(2) A charity game ticket shall not be sold to a person under 18 years of age. This subrule shall not prohibit the purchase of a charity game ticket by a person 18 years of age or older for the purpose of making a gift to a person under 18 years of age, and shall not prohibit a person under 18 years of age from receiving a prize or prizes won from a charity game ticket.

R 432.21611 House rules.

Rule 611. (1) The licensee shall establish and adhere to its house rules governing the sale of charity game tickets. At a minimum, the house rules shall contain all of the following information:

- (a) The licensee's name.
- (b) The license number.
- (c) The time limit for the redemption of charity game tickets, which shall be not less than 14 days from the date the last charity game ticket of the series is sold.
- (d) The effective date of the house rules.
- (2) The licensee shall post the house rules in a conspicuous place or print the house rules in sufficient number for distribution to all interested persons.
- (3) The house rules shall not be in conflict with the act, these rules, or directives of the bureau.

R 432.21612 Charity game ticket sales.

Rule 612. (1) Charity game tickets shall not be sold for a price other than the price printed on the charity game ticket.

(2) The licensee shall not participate in a charity game as a player although this does not prohibit individual members of the licensed organization from purchasing charity game tickets, except as prescribed by this rule.

(3) A worker is prohibited from sharing in a prize, purchasing, playing, or accepting as a gift, charity game tickets offered for sale by the licensee at any time during the day they are working, assisting, or selling.

(4) A person shall not purchase or play charity game tickets at the location he or she owns, manages, or in which he or she is employed, except as allowed by R 432.22008(2).

(5) A worker shall not assist players in opening charity game tickets, except to provide assistance to a person who has a disability.

(6) A charity game ticket series shall not be withdrawn from sale until all charity game tickets from that series are sold.

R 432.21613 Insider information.

Rule 613. A licensee shall not allow any person to use or provide any information about the status of a charity game while that game is in play that does, or potentially could, give a person an advantage over another person who does not have the same information.

R 432.21614 Redemption of charity game tickets.

Rule 614. (1) Charity game tickets shall be redeemed only by the licensee that sold the winning charity game ticket.

(2) Charity game tickets shall be redeemed within the time limit posted for redeeming winning charity game tickets in accordance with R 432.21611(1)(c).

(3) A worker shall deface each winning charity game ticket when it is redeemed.

(4) A player shall not be paid any prize unless the player redeems an actual winning charity game ticket, except as allowed by R 432.21615.

R 432.21615 Secondary games of chance.

Rule 615. Secondary games of chance approved in writing by the bureau may be conducted with charity game tickets.

R 432.21616 Disposition of unsold charity game tickets.

Rule 616. (1) Unsold charity game tickets purchased under a millionaire party, large raffle, special bingo, or special charity game ticket license

may be sold at future licensed gaming events conducted by the same organization.

(2) Boxes of charity game tickets may be returned to the supplier if the manufacturer's shrink-wrap has not been removed and the manufacturer's seal has not been broken.

(3) Charity game tickets shall not be sold or transferred between qualified organizations.

R 432.21617 Worker compensation.

Rule 617. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensees shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson or recordkeeper of an annual charity game ticket license shall be paid not more than \$100.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$200.00 for his or her services for each week of the licensed gaming event worked.

(b) The person who completes the quarterly financial statement shall be paid not more than \$20.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for each quarterly financial statement submitted.

(c) The chairperson or recordkeeper of a special charity game ticket license shall be paid not more than \$20.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$100.00 for their services for each day of the licensed gaming event worked.

(d) All other workers shall be paid not more than \$15.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$50.00 for their services for each day of the licensed gaming event worked.

(5) Only 1 person may be paid as chairperson and only 1 person may be paid as recordkeeper per week of an annual charity game ticket license.

(6) An individual may only be compensated for being 1 of the following per week of an annual charity game ticket license:

- (a) Chairperson.
- (b) Recordkeeper.
- (c) Worker.

(7) Only 1 person may be paid as chairperson and only 1 person may be paid as recordkeeper per day of a special charity game ticket license.

(8) An individual may only be compensated for being 1 of the following per day of a special charity game ticket license:

- (a) Chairperson.
- (b) Recordkeeper.
- (c) Worker.

(9) Compensation to workers includes, but is not limited to, any of the following:

- (a) Cash or check.
- (b) Anything of value.

(c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per occasion as prescribed by this rule.

(10) In addition to the compensation as provided by subrule (9) of this rule, workers may also receive food and beverages consumed while working that do not exceed \$10.00 in retail value.

(11) Except for chairperson and recordkeeper compensation for an annual charity game ticket license, all compensation, other than credits, shall be paid on the day of the licensed gaming event.

(12) The names of the workers and amounts paid, including any credits as provided by subrule (9)(c) of this rule, shall be recorded on the workers service record for each day or week of the licensed gaming event or as directed in writing by the bureau.

(13) Any and all forms of worker compensation shall only be paid from the annual charity game ticket, special charity game ticket, or associated licensed gaming event proceeds or the financial account as prescribed by R 432.21330, R 432.21415, R 432.21519, and R 432.21620.

(14) All compensation shall be reported on the financial statement for the annual charity game ticket, special charity game ticket, or associated licensed gaming event.

R 432.21618 Game records; retention.

Rule 618. (1) For an annual charity game ticket or a special charity game ticket license, game records and all documents supporting entries made in the records shall be maintained separately.

(2) For a large bingo, small bingo, special bingo, millionaire party, or large raffle, charity game ticket records and all documents supporting entries made in the records shall be retained with the game records for the associated licensed gaming event.

(3) Game records pertaining to the sale of charity game tickets shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

(4) Game records shall include a copy of the current license application and any changes.

(5) Game records and all documents supporting entries made in the records shall be available and on site at the occasion and at other times to authorized representatives of the bureau for review.

(6) Game records and all documents supporting entries made in the records shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau.

(7) Game records and all documents supporting entries made in the records may be removed by authorized representatives of the bureau for review.

(8) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

R 432.21619 Inventory.

Rule 619. (1) The licensee shall be accountable for all charity game tickets and shall maintain an accurate and complete inventory of all charity game tickets as directed in writing by the bureau.

(2) Off-site inventory locations shall be a building or office open to the public and not a private residence unless directed otherwise in writing by the bureau.

(3) The exchange, sale, sharing, or mixing of charity game tickets by a qualified organization with charity game tickets belonging to another qualified organization is prohibited.

(4) A qualified organization shall not exchange, sell, share, or mix charity game tickets between any large bingo, small bingo, and annual charity game ticket licenses issued to that qualified organization, except with the prior written approval of the bureau based on that organization's ability to account for all charity game tickets.

R 432.21620 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.

Rule 620. (1) The licensee shall be accountable for all cash and charity game tickets.

(2) In accordance with the act, the entire net proceeds from the licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) Electronic transfers of funds derived from the conduct of the licensed gaming event shall be done in accordance with directives of the bureau.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be returned on a monthly basis to the account holder. Copies of the checks are acceptable, if legible, and if originals can be made available upon request by the bureau.

(8) All monies derived from the conduct of an annual charity game ticket license shall be deposited into the licensee's financial account at least once per week or as directed in writing by the bureau.

(9) All monies derived from the conduct of a special charity game ticket license shall be deposited into the licensee's financial account within 2 business days of the licensed gaming event or as directed in writing by the bureau.

(10) Checks shall not be cashed out of charity game ticket start cash or gross revenue.

(11) Prize payments and worker compensation are the only allowable cash expenditures from charity game ticket proceeds. All other charity game ticket-related expenses shall be paid by check as prescribed by this rule.

R 432.21621 Security.

Rule 621. (1) The licensee may assign a worker to provide security services at an annual charity game ticket or special charity game ticket occasion and that worker shall be eligible for pay as a worker as prescribed by R 432.21617.

(2) A licensee may hire contractual security services and pay them for services at current market rates, if the activity is conducted in compliance with 1968 PA 330, MCL 338.1051. Persons hired under this subrule shall not assist in the operation of the licensed gaming event in any other capacity.

R 432.21622 Advertising.

Rule 622. Licensees may advertise the sale of charity game tickets by any legal means.

R 432.21623 Charity game ticket; financial records; retention.

Rule 623. All of the following financial records shall be available to authorized representatives of the bureau for review, and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statement for the annual charity game ticket, special charity game ticket, or associated licensed gaming event as prescribed by R 432.21335, R 432.21420, R 432.21522, or R 432.21624.

(b) Bank validated deposit slips for all charity game ticket proceeds.

(c) Bank statements from all financial accounts where charity game ticket proceeds were deposited or transferred.

(d) Cancelled checks or copies of checks, as prescribed by R 432.21620(7), from all financial accounts where charity game ticket proceeds were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where charity game ticket proceeds were deposited or transferred.

(f) Loans or donations of funds from individuals shall only be permitted if documented in a written, witnessed document. A copy of the document and repayment schedule and any later changes to these documents shall be maintained with these financial records.

R 432.21624 Financial statement requirements.

Rule 624. (1) An annual charity game ticket licensee shall submit a financial statement to the bureau on a form provided by or approved in writing by the bureau.

(2) Unless directed otherwise in writing by the bureau, an annual charity game ticket licensee shall file the financial statement on a quarterly basis. The statement shall be filed with the bureau by the tenth day of the month following the end of the reporting period. The reporting periods shall be January through March, April through June, July through September, and October through December.

(3) A special charity game ticket licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(4) Large bingo, small bingo, and special bingo licensees shall report all charity game ticket revenue, prizes, and purchases on the associated licensed gaming event's financial statement or as directed in writing by the bureau. Millionaire party and large raffle licensees shall report all charity game ticket revenue, prizes, and purchases on a form provided by or approved in writing by the bureau.

(5) The financial statement shall be signed by the principal officer of the qualified organization certifying that the information on the financial statement is true, correct, and complete to the best of his or her knowledge.